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The Agricultural Situation

A Brief Summary of



Economic Conditions

Issued Monthly by the Bureau of Agricultural Economics
United States Department of Agriculture

Subscription price, 25 cents per year; single copy, 5 cents; foreign price, 45 cents; payable in cash or money order to the
Superintendent of Documents, Government Printing Office, Washington, D. C.

Washington, D. C.

August 1, 1936

Volume 20, No. 8

2 DRY MONTHS—2 YEARS TO RECOVER

The drought overshadows everything else as it did in 1934. What was merely a threat a month or so ago is now grim reality. The devastation has gone on from wheat to potatoes and other food crops and to the feed crops—corn, oats, pastures, and ranges. Thousands of acres of new seeding have been killed, the effect of which will not be apparent until next year.

Once more we see the long-drawn effect of drought working itself out through the animal industries. There is not going to be any acute shortage of foodstuffs. Where the farmers and ultimately the whole community are going to feel the pinch is in the reduced supply of pork, beef, chicken, and dairy products. And not so much this season as next.

There is a better supply of hay and roughage than in 1934. But grain is short. The increase that has been going forward in hogs will be checked and possibly reversed. It probably means fewer pigs in 1937 than this year. The cattle industry will be hit much the same way—an increasing tendency reversed and presumably fewer cattle on farms a year hence. The deceptive thing about such liquidation is that for the moment more meat than usual will come to market—but that vast reservoir of animals representing crops of 2 or 3 years stored on the hoof is being depleted.

Aside from this livestock aftermath, the immediate effects of the drought are most striking in the short wheat crop, short potato crop, reduced supplies and higher prices of milk, butter, fresh vegetables, and fruits. Only the far West has largely escaped the devastation. It, fortunately, has good crops and a good market for them.

Meanwhile, the farmers of the prairies are tightening their belts to get through to next spring as best they can. And farmers throughout much of the territory from the Rockies to the Atlantic must make such shift and retrenchment as will meet the added costs of production and carry their crop and animal units along to a better season.

The wages of farm hired help, averaging the country as a whole, have gone up 20 percent in 2 years, although that is approximately in line with the percentage increase in gross farm income.

KEY REGIONS AT A GLANCE

THE EAST.—Parts of the East are suffering severely from drought. Pastures are brown, oats almost a failure, corn, potatoes, and other late crops a very poor prospect in those areas. A fairly good crop of hay was cut, however, and winter wheat is threshing out to fair yields. Dairymen disturbed over poor silage prospect. Also worried over mounting feed prices as well as present handicaps from lack of pasture and water.

THE SOUTH.—General crop conditions greatly improved following rains last month from eastern Texas to the Atlantic. Cotton making fair progress though some early stands damaged beyond help before rains came; same also true of early corn and various truck crops. Conditions bad in Oklahoma from drought.

CORN BELT.—July was one of the worst months ever experienced, in respect to the drought. High temperatures on top of dryness literally burned out many crops. Corn tasseled prematurely and burned in many places. Heavy corn damage in Iowa, Missouri, Nebraska. Oats short and in some sections a failure. Clover hurt, much new seeding killed. Grain shortage curtailing plans of cattle and hog men for fall breeding and feeding programs.

WHEAT BELT.—Continued in the grip of acute drought. Northern belt in bad condition, spring wheat a partial failure, feed gone, livestock moved out of some sections, many farm families destitute. Grasshoppers have added to the general plague. Winter wheat, however, threshed out rather better than expected in parts of eastern belt. Those who have any grain are heartened by higher wheat prices.

RANGE COUNTRY.—Conditions generally dry and poor east of the Divide, with feed and water short and stock forced out from some sections of Montana and Wyoming. Westward the ranges are good and stock doing well. Sugar beets and other crops in irrigated valleys in good condition, with irrigation water generally ample.

PACIFIC COAST.—Had some very hot weather, damaging late spring grain somewhat in north and ripening fruit and grain too fast. Feed conditions generally good except in eastern valleys, and irrigation water ample. Picking berries and early fruits; shipping early potatoes and citrus in south. California crop of Valencia oranges smaller than last season, but of good quality. Deciduous fruits mostly larger crops.

RECORD TEMPERATURES WITH THE DROUGHT

July 27 marked the twenty-fifth successive day of temperatures above 100 in the Great Plains country. It is this exceedingly high temperature, added to the dryness, that has been so severe on grain and other crops from the Mississippi to the Rockies. Generally speaking, that broad area from the river to the mountains had less than one-fourth its normal rainfall in the month of July. The worst conditions in respect to drought and heat are found in the stretch of country from Illinois and Missouri northward and westward.

Many comparisons have been made between the drought of this year and that of 1934. In a general way it may be noted that most States from the Atlantic to the Rocky Mountains had less rain from April to July than they had in the same period of 1934. Also, from New York and Pennsylvania westward more high temperature records have been broken than ever before in 1 month.

It is a curious fact that whereas the rainfall this summer east of the Continental Divide has been so deficient, the snowfall last winter was heavy throughout the mountain region. In consequence, the many irrigated valleys throughout the far West are enjoying an abundant supply of water this summer, while the farmers a little farther eastward, in what is supposed to be a humid climate, are seeing their crops wither for lack of rain.

The Reclamation Service reports that of all its projects, covering 16 States in the West, only two (one in South Dakota and one in Nebraska) are short of water. Elsewhere the supply is ample.

NONE TOO MUCH FRUITS AND VEGETABLES THIS YEAR

As the drought has continued to scorch the country from the Rocky Mountains to the Atlantic, some effects on the food supply are becoming evident. Just now some of the principal vegetable and fruit crops are beginning to show the cuts from the dryness and heat. From the present prospects, it appears that fewer carloads than usual of important midseason vegetables and canning crops will roll to market in August.

Of course, August is normally a month of rather lighter shipments than either July or September. This month just about marks the end of the important movement from the South. In September about nine-tenths of the carlot shipments will be coming from the North and the West. This year the southern shipping season has been shortened by the drought and rapid marketing of some crops. Weather and price changes always affect the speed and quantity of marketing.

CROP CONDITIONS SPOTTED

The reports last month showed lowered condition as compared with last season. Thus, although the country actually planted around 85,000 acres more of truck crops, this slightly added acreage has been more than offset by the poorer growing conditions.

It is especially in the East and the Southeast where most damage has occurred. Cabbage and onions likewise are possibly short crops in the North and Central States.

WESTERN GROWERS FAVORED

It appears that the Pacific coast and Mountain States are going to have their inning this year. Their crops are reasonably good and the rest of the country needs the supply. The West coast is the only region that has a potato crop above average. Likewise, whereas the Pacific coast had only about one-third of the apples last year, this season it is estimated that it has 44 percent of the crop. The pear crop is the largest on record in the Pacific Northwest. There will be a liberal output of miscellaneous truck crops and fruits there. California has nearly one-half the total peach crop. In fact, the volume of shipments from the Pacific coast, together with the heavy early movement from Texas, had actually brought the season's carlot total, up to last month, above the previous season.

MOST FRUIT CROPS LIGHT

Generally speaking, the fruit prospect is poor. This fact dates back from the hard winter and late frosts rather than from the drought, although the latter has cut the size and the bulk of fruit.

Apples are light everywhere; even on the coast the crop is below the average. In many leading apple States there is only about one-half to three-fourths an average crop. The dry weather, however, has made it possible to spray effectively, and such fruit as comes to market should be of good quality.

Pears are a good crop in the West. They are below average in the East. Grapes are about one-fifth below average production and peaches perhaps one-fourth below.

SCANTY POTATO CROP

Another drought casualty that will be felt on every dinner table is the potato crop. Last month's estimates, which suggested about 260 million bushels of potatoes in the 30 late main crop States, would allow potato consumers only about 2 bushels each for the main part of the coming season, which is a rather short ration. Potato shipments in August may be expected to be fairly normal, around 10,000 carloads, if the price stays high enough to encourage early digging. New Jersey, California, Idaho, and Wisconsin, the usual heavy shipping sections during this month, have fairly good crops and will account for most of the carlot supply in August. A larger proportion than usual will come from western producing sections.

Sweetpotatoes will not piece out the supply much, because they are turning out poorly, with production probably one-fourth below last year. Some States, however, which are quite heavy sweetpotato shippers, have fair crops; these include New Jersey, Virginia, California, New York, and Louisiana.

The central fact in the potato situation is that we seem likely to have a great shortage of 75 million bushels or more in the total potato crop, as compared with last year, and the best of growing weather in the next 2 months will not make up for it. In other words, this season must be put alongside the other years of market shortage, such as 1925, 1919, and 1916; and it may be added that in all of those years prices held to high levels through the winter and spring months.

GEORGE B. FISKE,
Division of Economic Information.

DROUGHT CUTS THE GRAINS

The grain markets made the sharpest gains in recent years during July, being influenced principally by rapid deterioration in spring wheat, prospective short crops of oats and barley, and threatened extensive damage to corn as a result of drought and intense heat. Wheat advanced 10 cents to 15 cents a bushel, with active trading in futures and a broad milling demand for cash grain. Corn gained around 20 cents a bushel, the gain reflecting the widespread damage to the new crop from intense heat and drought in the main belt. Later, however, part of the advance was lost when scattered showers gave temporary relief in some areas. Oats and barley advanced, being influenced by the higher corn market and unfavorable new crop prospects. Rye and flax were also sharply higher as drought damage increased.

A SHRINKING WHEAT CROP

Lowering of crop prospects in North America and in important European countries was the dominant feature of the wheat situation during July. The prospect at the close of the month was for a Northern Hemisphere crop around 125,000,000 to 150,000,000 bushels below the 1935 harvest, with the greatest losses in the spring wheat areas in the United States and Canada.

Prospects in the United States at the first of July indicated the smallest spring wheat outturn since 1909 with the exception of 1931 and 1934, but the estimate of 126,000,000 bushels has been further lowered by continued drought.

The domestic winter wheat crop was estimated on July 1 at about 512,000,000 bushels, or about 50,000,000 bushels above the 1935 outturn. Of this season's harvest, about 266,000,000 bushels is Hard Red Winter wheat, 195,000,000 bushels Soft Red Winter wheat, and the remainder white wheats.

CANADA ALSO HIT

The Canadian spring wheat crop has suffered irreparable damage, at present indicating an outturn well below the 277,000,000 bushels harvested in 1935. Trade agencies were estimating the Canadian harvest at 200,000,000 to 225,000,000 bushels based on conditions prevailing toward the close of the month. European crops deteriorated in several important countries, and present indications are for a harvest 75,000,000 to 80,000,000 bushels under the 1935 outturn, with decreases in France, Spain, Italy, and other important deficit countries more than offsetting increases in Danubian countries where prospects are favorable this season. North African harvests are apparently turning out about the same as last season, while the Indian crop has been officially estimated about 12,000,000 bushels under the 1935 harvest.

It is too early to forecast Southern Hemisphere harvests but crops are reported as developing favorably on increased acreages both in Argentina and Australia. The Australian acreage is placed at 12,400,000 acres, or about 600,000 acres above last year's seedings. Conditions are generally favorable, with moisture supplies adequate.

THE WORLD HAS LESS OLD WHEAT

The prospective smaller harvest in the Northern Hemisphere this season assumes added importance because of the sharp reduction in

stocks of old wheat carried over into the new crop year. Incomplete figures suggest that stocks of old wheat at the beginning of the 1936-37 season are approximately 300,000,000 bushels less than a year ago. Total stocks in the United States and Canada are approximately 75,000,000 bushels below those at the corresponding time last year. Stocks on farms and in terminal markets in the United States at the first of July were about the same as a year ago, but country mill and elevator stocks were somewhat smaller. Trade and official estimates place European stocks around 150,000,000 bushels below the quantity carried over last season, while supplies available for export and carry-over in the Southern Hemisphere are around 45,000,000 bushels smaller than a year ago.

With the sharp advance in prices early in July, world supply and demand became a more important influence in domestic markets and tended to check further gains. Heavy marketings of winter wheat were also a weakening factor in the cash markets. Harvesting of winter wheat was nearing completion at the close of July under favorable conditions. The new crop moved earlier and more rapidly than usual and at the close of the month some falling off was apparent at southern points, indicating that the peak of the movement had passed in those areas. This decrease, however, was nearly offset by larger arrivals at northern markets.

The quality of this season's winter wheat crop is generally good. The protein content of wheat inspections at Kansas City averaged 13.5 percent compared with 12.5 percent for a comparable period last season.

A DEFICIT OF DURUM

Durum wheat markets remained independently firm as a result of scarcity of supplies and poor new crop prospects. The July 1 condition indicated a crop of only 9,600,000 bushels, which would be well below recent domestic mill grindings. Trade reports indicate that practically all of the Canadian durum held at Canadian lake ports has been purchased for shipment to American mills. Prices are now on an import basis and recently American mills have been almost entirely dependent upon Canadian durum wheat.

FEED GRAINS ADVANCE SHARPLY AS CROPS ARE HURT

Prices on all feed grains moved sharply upward during July owing to prospects of short crops of oats and barley and the rapid deterioration in corn as a result of drought and intense heat. Final outturns of feed grains were still quite uncertain at the close of July; indications, however, were that supplies for 1936-37 would be under those of the previous year but probably above the very short supplies of 1934-35.

Conditions at the first of July indicated a corn crop of about 2,245,000,000 bushels, or slightly under last year's harvest. During July, however, the crop was seriously injured by drought and intense heat. Much corn was beyond recovery in Missouri and south-central and southeastern Kansas at the middle of the month, and extensive harm had been done in Iowa, Ohio, Indiana, and Illinois.

Nearly 200,000,000 bushels more old corn remained on farms at the 1st of July than a year ago, but with increased feeding as a result of drying of pastures, farm stocks were being drawn upon more heavily. With the harvest becoming more uncertain, growers were

less inclined to dispose of remaining supplies and receipts at terminals dropped off. Demand remained fairly active but some slackening was apparent at the higher prices. With a material increase in the spring pig crop, requirements for corn for hog feeding have been increased.

ARGENTINE CORN IN THE PICTURE

The sharp gains in July placed corn prices at seaboard points above \$1 per bushel and increased the likelihood of further imports of Argentine corn. Toward the close of July, Argentine corn was offered for September and later shipment at about 88 cents per bushel, delivered American ports, duty paid. Late estimates place the new Argentine crop at about 382,000,000 bushels. The quality is not so good as last season because of the wet harvest, but first arrivals of new crop Argentine corn at West coast ports have been of generally satisfactory quality.

Oats markets gained sharply along with other feed grains but were influenced also by poor prospects for the new crop. The July 1, condition of 60.6 percent of normal indicated a crop of only 805,000,000 bushels compared with last year's harvest of 1,187,000,000 bushels. Stocks of old grain, however, are relatively large, with about 248,000,000 bushels reported on farms and 31,000,000 bushels at terminal markets at the first of July.

GEORGE A. COLLIER,
Hay, Feed, and Seed Division.

THE DROUGHT IS HARD ON THE LIVESTOCK INDUSTRIES

The livestock industries were just beginning to recover substantially from the 1934 drought. Stockmen generally have been making an effort to bring up their herd and stock numbers. Into this situation comes the severe drought of 1936, and the apparent effect is going to be to reverse the trend and again reduce livestock numbers.

MORE HAY THAN IN 1934

In the matter of hay and roughage supplies, the situation this year is better than it was in 1934. The area where feed crops have failed entirely is much smaller this year than in 1934 and the carry-over of hay and other roughage was much larger in most areas. The number of hay-eating animals is much smaller now than 2 years ago as a result of the sharp reduction of cattle numbers in 1934 and continued decrease in horses and mules.

GRAIN SHORTAGE WILL AFFECT HOGS ESPECIALLY

Although it is not yet possible to size up finally the damage to the corn crop nor to estimate the total production of feed grains, it seems apparent that supplies of feed grains (production plus carry-over) will be among the smallest in 35 years, although not so small as in 1934. It is this grain shortage that bears most heavily upon the livestock situation.

This shortage of feed grains will undoubtedly have its greatest and longest effect on hogs. It was hogs that were most sharply reduced as a result of the 1934 drought and other causes. The number on farms at the beginning of last year and this year was the smallest in many years; slaughter during 1935-36 was the smallest in 25 years.

Production reached a low point in the spring pig crop of 1935. It began to increase again in the fall of 1935. This increase continued last spring and there was every reason to expect a continuation of this upward trend this fall and throughout next year, had feed-grain production been average or better.

The June pig report estimated the 1936 spring pig crop at 41,884,000 head, compared with 32,380,000 head in 1935, and 52,243,000 the average of 1932-33. Thus, it is evident that while a substantial recovery was made from the low point of 1935, the crop of last spring was still much below the 1932-33 average. The report also estimated a 14-percent increase in the number of sows to farrow this fall, but while that estimate was still far below the 1932-33 average of fall farrowings, the drought has made any increase doubtful this fall. Farrowings may even be smaller than they were last fall.

Average weights of all hogs slaughtered in June continued heavier than a year earlier. The average weight of hogs at seven leading markets for the month was 253 pounds, compared with 242 in May and 244 pounds in June 1935. A small corn crop this year, however, with corn prices high relative to hogs, would probably send hogs to market in 1936-37 at much lighter weights than they have averaged this year.

SLIGHT INCREASE IN EXPORTS POSSIBLE

The report from Germany indicates that slaughter supplies of hogs are increasing in that country. Although our exports of lard to Germany have increased in recent months, they are still at a very low level.

The import restrictions laid down by European countries have had the effect of fixing an upper level above which our exports cannot increase. Because of the shortage of hogs in this country, however, exports of pork and lard in 1935-36 have been materially below this upper level. With more pork in prospect for the first half of the 1936-37 marketing year, it is probable that there will be some increase in exports, but this development will be influenced by the drought and the size of the corn crop.

WILL TAKE 2 OR 3 YEARS FOR HOGS TO "COME BACK"

High corn prices undoubtedly will force an early movement of pigs to market this fall. This will mean relatively heavy slaughter during October, November, and December, accompanied by a considerable drop in hog prices, which in turn will tend to make the hog-corn price ratio still more unfavorable.

With conditions as now seem probable, there seems to be little likelihood that the number of sows bred to farrow next spring will be as large as last spring. If corn prospects in 1937 are good, an increase in the fall crop of 1937 over that of 1936 is probable, but it now seems unlikely that the total pig crop in 1937 will equal that of this year. It will be 1938 before a substantial increase in production will take place, and it may be 1940 before production will reach a volume comparable with the 5-year average 1929-33.

SOMEWHAT FEWER CATTLE PROBABLE

The drought apparently will lead to some decrease in the number of cattle during 1936, whereas some increase was probable if feed production had been about average this year. If there had been no drought, cattle and calf slaughter under Federal inspection in 1936 would probably have been about 16,000,000 head and the second largest on record. Even with such a slaughter, but with an increased calf crop, a probable increase in imports, and smaller death losses in 1936 than in 1935, some increase in numbers would have occurred. It seems fairly certain that the heavier marketings resulting from the drought will be reflected in larger commercial slaughter than would otherwise have occurred, in addition to such slaughter as may result from purchases by governmental agencies. This increased slaughter may be sufficiently great to result in a decrease of 3 or 4 percent in the number of cattle on farms January 1, 1937 from a year earlier.

Because of the short supply and high prices of corn and other feeds and the generally unprofitable results of feeding operations during most of 1936 to date, a rather sharp decrease in cattle feeding this coming fall and winter is anticipated. Hence the demand for feeder cattle is likely to be rather poor this fall and the supply of fed cattle during the first half of 1937 to be much smaller than during the corresponding period of this year.

SHEEP NOT SO MUCH AFFECTED

The effect of the drought on the sheep situation will be relatively unimportant. Only a small part of the western sheep area is in the 1936 drought region, and feed conditions over most of the area are fairly favorable and in sharp contrast to 1934. The 1936 lamb crop estimate, recently released, shows a somewhat larger lamb crop this year than last, largely a result of a larger percentage lamb crop in the western sheep States. The estimated crop this year was 31,413,000 head, compared with 28,907,000 head in 1935 and 30,598,000 in 1934. As yet, few sheep or lambs have been forced to market by the drought and there is little reason to expect that the drought will be much of a factor in the lamb-marketing situation this year.

The supply of lambs available for the balance of this year appears to be considerably larger than a year earlier and the proportion of lambs in feeder flesh is also expected to be larger. What the demand for feeder lambs will be during the fall months is rather uncertain. Prices of both feed grains and hay will be materially higher this year than last, which will add substantially to the costs of feeding. Many feeding lambs have already been contracted in the Western States at prices substantially higher than those at which early contracts were made last year.

In view of the generally favorable feed situation west of the Rocky Mountains and the probability that grain and hay prices will be low relative to those in the Corn Belt, it is expected that lamb feeding in that area and in Texas may be unusually large relative to total feeding this year. Until the outcome of the corn crop is more definitely known and the probable price of corn more certainly established, it is to be expected that the demand for feeder lambs from the Corn Belt States will be rather limited and that during the next 2 months the spread between feeder lamb and slaughter lamb prices may be rather wide.

C. L. HARLAN,
Division of Crop and Livestock Estimates.

DROUGHT STOPS INCREASE IN POULTRY

Poultry is another example of an industry just beginning to recover from the drought of 1934 only to run head-on into the drought of 1936. At the beginning of last year the number of chickens in the country stood at the lowest point in a dozen years. The feed shortage held down the production of young chickens during the hatching season of 1935.

Up to the beginning of this year, growers had succeeded in restoring their flocks only to the extent of about a 4-percent increase. Only on the Pacific coast did the comeback in numbers amount to as much as 10 percent.

This spring conditions seemed fairly favorable, and the gains were well maintained through the heavy laying season. In June, however, cullings, especially through the North, were rather heavier than usual, so that the number of hens per flock on July 1 was only a trifle greater than the year previous. In other words, the number of laying hens in the country on July 1 this year was still virtually at the low point. They were 8 percent lower than the July average for 1930-34 and were down as much as 16 percent from the peak of numbers that was reached in 1927.

MORE PULLETS—BUT WILL THEY BE KEPT?

With the better feed conditions this spring, poultrymen made an effort to bring up the numbers of young chickens in their flocks. Commercial hatchings in the first half of this year showed a 25 percent increase over last year. The outcome was that there were 11 percent more young chickens in farm flocks July 1 this year than a year ago.

Ordinarily, any such increase as this in young chickens would show up in a somewhat proportionate gain in the number of layers, but this year the drought again enters the picture at this point. As matters now look, it appears that any increase this fall in the laying flocks will be moderate, to say the least. Of course, the fact that the number of hens, especially in the North-Central States, is at a low point, will lead producers to make every effort to keep what pullets they can for layers. It appears, however, that considerable forced selling of young stock originally intended for layers and of hens that would otherwise have been held over will occur. Marketings during the last 2 or 3 weeks have been much heavier than a year ago.

In the South where the rains early in July helped feed conditions, an increase in layers perhaps will be shown, but that section is not an important factor in commercial egg production.

In the Northeastern and more especially the far Western States, crop prospects are rather below those in the Central West, but both of these sections normally have to buy a lot of feed from the Central States. If egg production should be cut in the Central States as it was in 1934, both the East and the West coast poultrymen will probably keep as many layers as possible, in the hope that egg prices will justify the buying of high-priced feed.

PROBABLY HIGHER EGGS—LOWER POULTRY

It is probable that poultry prices will drop by more than the average seasonal amount from now to December. The increased number of chicks, plus the drought conditions, will bring more poultry to

market. On the other hand, storage operators may be fairly good buyers, in view of the possibility that receipts next spring may be relatively low. Also, a possible better demand by consumers may tend to offset somewhat the price decline.

Egg prices will probably rise by more than the average seasonal amount between now and December. Though it is possible that some increase may occur in production, the effect of this on prices will quite likely be more than offset by the very low storage stocks and a probable increase in consumer demand.

EARLY EGG PRODUCTION SLIGHTLY UP

The production of eggs as reported in farm flocks during the first half of 1936 exceeded the same months last year by about 3 percent. This higher production was caused partly by the larger flocks and partly by the unusually high lay per hen. Not only was the weather favorable, but egg prices were high enough in comparison with feed to stimulate the feeding of layers, thus contributing to the high rate of laying.

MARKET RECEIPTS LIKEWISE UP

The increased egg production resulted in receipts at the four large markets larger for the first half of this year than last. These increased receipts spell greater consumption by city population since the gain over 1935 amounted to about 10 percent, whereas, egg production advanced only about 3 percent.

On this question of consumption, it may be noted that the average per-capita consumption of eggs annually for the 5 years 1930-34 has been estimated at 20.2 dozens. Thereafter, however, consumption declined steadily down to a low point of 18.1 dozens last year. At the present rate of increase, it looks as though per-capita consumption this year would about come back to the 1934 figure of 18.8 dozens per capita.

THE FALL EGG-PRODUCTION OUTLOOK

The best that can be said at present is that the outlook for fall and winter production of eggs will depend largely upon the course of the drought. A favorable feed-egg ratio would tend to maintain production in the fall and winter above that of a year earlier. However, any material advance, such as is probable in the ratio, will tend to reduce production by more than the seasonal amount, both by a reduction in the rate of laying and by a reduction in the size of laying flocks.

GRAIN SHORTAGE

Although the carry-over of feedstuffs from last year was fairly heavy, the small outturn of practically all grain crops this season will mean that the total supply of feed per animal unit will be less than in any other year in a generation or more, with the possible exception of 1934. There will be considerable bidding from the different livestock industries for feed, with the probability of high prices as a result.

LESS MILK—HIGHER PRICES

The dairy situation is colored at present chiefly by the reduced pasture and feed supplies, by the small stock of butter in storage, and by the shrinkage in milk production since June. All of these items have combined to support a rising price level and apparently mean still somewhat higher prices.

PRODUCTION FALLING OFF

Creamery butter production in June was 7 percent lower than in June 1935, indicating that the early effects of the drought were being felt even then.

It is true that for the first 6 months of this year butter production was about the same as last year, but it was less than in the first half of any year from 1930 to 1935. Butter production during this time reached a peak in 1933, and the drought in 1934 started the down-trend which is now receiving such decided impetus. It may be noted that during the first half of the peak year 1933, creamery butter production amounted to 917,206,000 pounds. During the first half of 1936, estimated production was only 832,443,000, a drop of more than 9 percent.

CHEESE PRODUCTION UP

Cheese production so far in 1936 has been heavier than last year, and in fact heavier than in any preceding year. During the first half of this year it was 14 percent over that period for the 1931-35 average. The stimulus back of this heavy production has been the high price of cheese.

Evaporated milk production so far in 1936 has continued the upward trend of recent years, which was broken only in 1934.

BUTTER STOCKS LOW

The amount of butter in cold storage on July 1, 1936, was 74,683,000 pounds, compared with 96,392,000 pounds a year earlier and the 1931-35 average of 89,272,000 pounds. Except for 1934, butter stocks this July 1 were the lightest on that date since 1928.

June is normally the month when the heavy movement of butter into storage occurs, ordinarily a storage movement of around 57,000,000 pounds. Last year, for example, the June increase in storage was 63,000,000 pounds, but this year the stocks increased during June only 53,000,000 pounds. This lighter-than-average movement of butter into storage has been due partly to reduced production during the 1936 flush season and to the unusual upward trend of butter prices which has made storage buyers hesitate at this time. Butter stocks usually continue to increase each month until September 1, but unless production conditions improve greatly or the high price restricts consumption, it looks as though storage stocks will continue lower than last year during the rest of 1936.

Stocks of American cheese in storage on July 1 were slightly heavier than a year ago.

In terms of milk equivalent, the stocks of butter, cheese, condensed and evaporated milk on July 1 were about 17 percent less than a year ago and 10 percent less than the July 1 average for 1931-35.

HIGHER PRICES

The upward swing of butter prices which started in May has continued. The wholesale price of 92-score butter at New York the last of July was 34 cents, compared with 24 cents a year ago. The June average on this grade was 29.6 cents, compared with 24.2 cents in June last year. Butter prices at this season have not approached present levels in any year since 1930.

Prices of cheese and evaporated milk are both substantially higher than a year ago.

A LITTLE INTEREST IN IMPORTS

Domestic prices of butter have attracted some interest in imports within the month, although so far only small shipments have come from Holland and Cuba. Trade advices have indicated that other arrivals approximating 575,000 pounds, from Holland, Latvia, Poland, and Siberia, were expected. More recently, however, an advance in foreign asking prices has somewhat changed this situation.

L. M. DAVIS,
Division of Dairy and Poultry Products.

SUMMARY OF DAIRY STATISTICS

PRODUCTION

[Millions of pounds; 000,000 omitted]

| Product | June | | | January to June, inclusive | | |
|------------------------------------|-------|-------|----------------|----------------------------|--------|----------------|
| | 1936 | 1935 | Percent change | 1936 | 1935 | Percent change |
| Creamery butter..... | 187 | 201 | -7.1 | 832 | 830 | +0.2 |
| Cheese..... | 83 | 74 | +11.2 | 326 | 278 | +17.4 |
| Condensed milk..... | 34 | 31 | +8.6 | 149 | 129 | +15.9 |
| Evaporated milk ¹ | 266 | 267 | -0.5 | 1,071 | 1,059 | +1.1 |
| Total milk equivalent.. | 5,417 | 5,627 | -3.7 | 23,428 | 22,832 | +2.6 |

APPARENT CONSUMPTION

[Including production, changes in stocks, and net imports or exports]

| Product | June | | | January to June, inclusive | | |
|------------------------------------|-------|-------|----------------|----------------------------|--------|----------------|
| | 1936 | 1935 | Percent change | 1936 | 1935 | Percent change |
| Creamery butter..... | 133 | 139 | -4.2 | 802 | 802 | -0.0 |
| Cheese..... | 72 | 59 | +21.5 | 364 | 328 | +10.9 |
| Condensed milk..... | 25 | 24 | +8.1 | 135 | 114 | +17.6 |
| Evaporated milk ¹ | 220 | 157 | +39.7 | 945 | 909 | +3.9 |
| Total milk equivalent.. | 4,065 | 3,919 | +3.7 | 22,858 | 22,384 | +2.1 |

¹ Case goods only.

FARM LABOR SUPPLY DOWN—WAGES UP

Wage rates for hired laborers in the United States averaged \$22.07 per month, with board, on July 1. These rates were one-fifth higher than those of 2 years ago.

In the last 2 years the supply and demand situation for farm labor has changed from one of general surplus of labor and low demand for it to a situation of supply 10 percent below normal, and of an increased but still subnormal demand. The result for the country as a whole was a shift from a situation with about three laborers available for every two farm jobs to that where the number of jobs nearly matched the number of workers who could be hired.

In the North Atlantic, East North Central, and Pacific States the supply of labor had dropped slightly below demand on July 1. Elsewhere labor supply was noticeably above farmers' demand for it, particularly in the South Central States. The labor supply is now the lowest it has been for nearly 10 years, but is still adequate or nearly so in most States.

Various factors have combined to decrease the farm labor supply and to increase wages. Increase of nonagricultural demand for employment of labor as well as increased farm demand for labor has brought this about.

Since July 1934 farm wage rates have risen 20 percent.

The rise of farm wages in the last few years is a measure of help to the hired farm laborers to meet somewhat increased costs of living. The depression slump in wage rates hit them harder proportionately than it did industrial workers, and the subsequent recovery has been far slower. The index of agricultural wages (1910-14 annual average=100) was 108 on July 1 compared with that of 195 for industrial wage rates last May. Labor tends to go to those jobs paying best. Consequently, as nonagricultural industries afford increased employment for laborers, many who might have otherwise engaged in agricultural labor are naturally taking jobs away from the farms. The differences between agricultural and industrial wages will have to be lessened to hold the present farm labor supply.

J. C. FOLSOM,

Division of Farm Population and Rural Life.

OUTSTANDING FARM LOANS

The volume of agricultural loans held by leading agencies has shown only minor net change during the last several months. Farm mortgage holdings of private agencies have continued to decline and federally sponsored credit sources have increased slowly. Outstanding Federal land-bank loans remained almost constant during the first half of the year, having been \$2,064,000,000 on June 30 as compared with \$2,066,000,000 at the close of January. Commissioner loans increased to \$827,000,000 in May and June, from \$803,000,000 on January 31. Farm-mortgage holdings of 39 leading life-insurance companies declined to \$762,000,000 in May as compared with \$776,000,000 in March and \$799,000,000 at the close of January. Joint-stock land banks have continued to liquidate their holdings, their total having been \$151,000,000 on June 30, as compared with \$162,000,000 in March and \$170,000,000 in January.

Holdings of financial institutions do not necessarily represent the trend of farm mortgages held by individuals. During periods of reviving land activity, a large proportion of new credits originate from transactions in which one individual accepts a mortgage as a part of the consideration. During this period the holdings of institutions may not change substantially.

Short-term loans during the last several months have shown a seasonal expansion characteristic of the principal production season. Loans of the Federal intermediate credit banks stood at \$197,000,000 on June 30 as compared with \$173,000,000 in March and \$153,000,000 in January. Production credit associations had \$140,000,000 outstanding in June, an increase of \$44,000,000 from \$96,000,000 outstanding in January. Emergency crop and drought loans showed little increase through the first 6 months of the year but are expected to expand materially as a result of the present severe drought in several Western and Southern States.

DAVID L. WICKENS,

Division of Agricultural Finance.

AGRICULTURAL LOANS OUTSTANDING, BY LENDING AGENCY ¹

[Millions of dollars]

| End of year or month | Farm mortgage loans to farmers by— | | | | | Federal intermediate credit bank loans to— | |
|----------------------|------------------------------------|------------------|---------------------------------|------------------------|-------------------------------------|--|-------------------------------------|
| | 39 life-insurance companies | Member banks | Federal land banks ² | Land Bank Commissioner | Joint-stock land banks ³ | Regional agricultural credit corporations, production credit associations, and banks for cooperatives ⁴ | All other institutions ⁵ |
| 1929..... | 1,579 | 388 | 1,199 | ----- | 627 | ----- | ----- |
| 1930..... | 1,543 | 387 | 1,190 | ----- | 591 | ----- | ----- |
| 1931..... | 1,503 | 359 | 1,168 | ----- | 537 | ----- | ----- |
| 1932..... | 1,402 | 356 | 1,129 | ----- | 459 | ----- | ----- |
| 1933..... | 1,234 | ⁶ 318 | 1,233 | 70.7 | 392 | 73 | 76 |
| 1934..... | 950 | ⁶ 262 | 1,916 | 616.8 | 261 | 100 | 90 |
| 1935..... | 807 | ⁶ 251 | 2,072 | 794.7 | 176 | 105 | 49 |
| 1936: | | | | | | | |
| January..... | 799 | ----- | 2,066 | 802.8 | 170 | 105 | 48 |
| February..... | 789 | ----- | 2,059 | 810.8 | 166 | 111 | 49 |
| March..... | 776 | ⁶ 253 | 2,060 | 817.9 | 162 | 123 | 50 |
| April..... | 768 | ----- | 2,062 | 823.1 | 158 | 133 | 52 |
| May..... | 762 | ----- | 2,063 | 827.1 | 154 | 140 | 53 |
| June..... | ----- | ----- | 2,064 | 827.2 | 151 | 144 | 53 |

| End of year or month | Production credit associations ⁷ | Regional agricultural credit corporations | Emergency crop loans | Emergency drought loan offices | Loans to cooperatives | |
|----------------------|---|---|----------------------|--------------------------------|--|---|
| | | | | | Banks for cooperatives, including central bank | Agricultural Marketing Act revolving fund |
| 1929..... | ----- | ----- | 7 | ----- | ----- | 15 |
| 1930..... | ----- | ----- | 8 | ----- | ----- | 137 |
| 1931..... | ----- | ----- | 60 | ----- | ----- | 156 |
| 1932..... | ----- | 24 | 89 | ----- | ----- | 159 |
| 1933..... | 0.03 | 145 | 90 | ----- | 19 | 158 |
| 1934..... | 60.9 | 87 | 78 | 32 | 28 | 55 |
| 1935..... | 94.1 | 43 | 107 | 66 | 50 | 44 |
| 1936: | | | | | | |
| January..... | 96.2 | 41 | 105 | 65 | 47 | 44 |
| February..... | 103.0 | 41 | 104 | 64 | 43 | 44 |
| March..... | 116.4 | 40 | 104 | 64 | 41 | 44 |
| April..... | 127.5 | 39 | 112 | 63 | 40 | 44 |
| May..... | 135.5 | 38 | 114 | 63 | 40 | 42 |
| June..... | 139.5 | 36 | 114 | 63 | 40 | 45 |

¹ Data for life-insurance companies from Association of Life Insurance Presidents; data for member banks from Federal Reserve Board; other data from Farm Credit Administration.

² Unpaid principal; data previously shown were unmatured principal.

³ Includes loans outstanding of joint-stock land banks in receivership.

⁴ Regional agricultural credit corporations and production credit associations. Some of the loans made by the regional agricultural credit corporations and all of the loans made by the production credit associations are rediscounted with the Federal intermediate credit banks. The amounts in this column are thus included in the columns headed "Production credit associations" and "Regional agricultural credit corporations."

⁵ Includes agricultural credit associations, livestock loan companies, and commercial banks.

⁶ Licensed banks only.

⁷ These data refer to outstanding loans reported by production credit associations. Previous data referred to loans to and discounts for production credit associations by the Federal intermediate credit banks.

MEASURES OF DOMESTIC DEMAND

[1924-29=100]

| | June | | | | Percent change | | |
|---|-------|-------|------|------|----------------|---------|---------|
| | 1929 | 1933 | 1935 | 1936 | 1935-36 | 1933-36 | 1929-36 |
| National income (excluding farm income): | | | | | | | |
| Total..... | 108.2 | 62.0 | 73.8 | 83.7 | +13 | +35 | -23 |
| Per capita..... | 103.1 | 57.2 | 68.0 | 76.7 | +13 | +34 | -26 |
| Factory pay rolls: | | | | | | | |
| Total..... | 108.7 | 46.1 | 64.9 | 77.7 | +20 | +69 | -28 |
| Per employed wage earner..... | 102.5 | 68.4 | 81.0 | 89.9 | +11 | +31 | -12 |
| Industrial production: | | | | | | | |
| Total..... | 116.6 | 84.9 | 80.2 | 96.1 | +20 | +13 | -18 |
| Factories processing farm products..... | 103.6 | 117.1 | 93.5 | 99.9 | +7 | -15 | -8 |
| Other factory production..... | 123.8 | 70.6 | 71.8 | 95.9 | +33 | +36 | -23 |
| Construction activity: | | | | | | | |
| Contracts awarded, total..... | 104.1 | 14.9 | 24.8 | 38.8 | +56 | +160 | -63 |
| Contracts awarded, residential..... | 85.1 | 11.6 | 21.5 | 31.2 | +46 | +270 | -63 |
| Employment in production of building materials..... | 94.6 | 36.9 | 44.3 | 54.1 | +22 | +47 | -43 |
| Cost of living: | | | | | | | |
| Food..... | 99.7 | 62.4 | 77.9 | 80.5 | +3 | +29 | -19 |
| For "All other items"..... | 98.0 | 79.8 | 81.3 | 82.5 | +1 | +3 | -6 |
| Purchasing power of national income (excluding farm income) per capita: | | | | | | | |
| For food..... | 103.4 | 91.7 | 87.3 | 95.3 | +9 | +4 | -8 |
| For "All other items"..... | 105.2 | 71.7 | 83.6 | 93.0 | +11 | +30 | -12 |

NOTE.—All indexes adjusted for seasonal variation except "Cost of living."

Consumer income rose further in June—to 83.7 percent of the 1924-29 average—establishing a new recovery peak for the second consecutive month. June income, which rose about 1½ percent from May, was 13 percent above June of last year and was 44 percent higher than at the March 1933 depression low. After adjustment for population growth, consumer income will support a standard of living for the average nonfarm person about 10 percent above that a year earlier and about 10 percent below 1929.

Industrial production continues to forge ahead, having reached 96 percent of the 1924-29 average in June, a gain of 20 percent over June 1935. Factories processing farm products operated at just about the average 1924-29 rate in June, improvement from May of 3.1 percent being attributable to improvement of about twice this amount in textiles and to an accelerated rate in plants processing food products. The month-to-month gain of 3.7 percent in factories processing non-agricultural products was even greater than in factories using agricultural raw materials, and carried the index to the highest point for the current recovery, or to only 4.1 percent under the 1924-29 average and 33 percent above last June.

Construction activity, though still trailing far behind other fields of economic activity, continues to advance. Residential building and employment in production of building materials reached new highs for the recovery period in June, but were at roughly one-third and one-half of their 1924-29 predepression rates respectively. As compared with the depression low, gains in construction are the greatest for any of the measures of domestic demand appearing in the accompanying tabulation.

Continued acceleration in industrial production and other lines of economic activity, resulting in greater expansion in nonfarm income than in general living costs, enables consumers to pay the somewhat higher prices for food induced by the 1936 drought and helps to maintain the improvement in farm income.

PRICES OF FARM PRODUCTS

Estimates of average prices received by producers at local farm markets based on reports to the division of crop and livestock estimates of this Bureau. Average of reports covering the United States weighted according to relative importance of district and States.

| Product | 5-year average, August 1909- July 1914 | July average, 1910- 14 | July 1935 | June 1936 | July 1936 | Parity price, July 1936 |
|---|---|---------------------------------|--------------|--------------|--------------|----------------------------------|
| Cotton, per pound.....cents.. | 12. 4 | 12. 7 | 11. 9 | 11. 4 | 12. 6 | 15. 6 |
| Corn, per bushel.....do..... | 64. 2 | 70. 1 | 82. 4 | 61. 3 | 80. 2 | 80. 9 |
| Wheat, per bushel.....do..... | 88. 4 | 86. 2 | 76. 4 | 80. 6 | 94. 4 | 111. 4 |
| Hay, per ton.....dollars.. | 11. 87 | 11. 78 | 8. 88 | 7. 31 | 8. 66 | 14. 96 |
| Potatoes, per bushel.....cents.. | 69. 7 | 81. 5 | 52. 0 | 136. 6 | 141. 1 | 87. 6 |
| Oats, per bushel.....do..... | 39. 9 | 40. 9 | 32. 2 | 24. 3 | 35. 2 | 50. 3 |
| Beef cattle, per 100 pounds.....dollars.. | 5. 21 | 5. 33 | 6. 20 | 5. 99 | 5. 71 | 6. 56 |
| Hogs, per 100 pounds.....do..... | 7. 22 | 7. 25 | 8. 40 | 8. 91 | 9. 14 | 9. 10 |
| Chickens, per pound.....cents.. | 11. 4 | 12. 2 | 14. 0 | 16. 4 | 16. 1 | 14. 4 |
| Eggs, per dozen.....do..... | 21. 5 | 16. 7 | 21. 7 | 18. 9 | 20. 0 | 20. 9 |
| Butter, per pound.....do..... | 25. 5 | 23. 3 | 24. 1 | 26. 5 | 28. 4 | 33. 6 |
| Butterfat, per pound.....do..... | 26. 3 | 23. 5 | 22. 3 | 27. 7 | 32. 6 | 30. 8 |
| Wool, per pound.....do..... | 17. 6 | 17. 5 | 20. 5 | 27. 8 | 27. 5 | 22. 2 |
| Veal calves, per 100 pounds.....dollars.. | 6. 75 | 6. 74 | 6. 75 | 7. 46 | 7. 21 | 8. 50 |
| Lambs, per 100 pounds.....do..... | 5. 87 | 60. 9 | 6. 26 | 8. 33 | 7. 94 | 7. 40 |
| Horses, each.....do..... | 136. 60 | 136. 30 | 89. 00 | 98. 80 | 95. 90 | 172. 10 |

¹ Adjusted for seasonality.

COLD-STORAGE SITUATION

[July 1 holdings, shows nearest millions; i. e., 000,000 omitted]

| Commodity | 5-year average, 1931-35 | Year ago | Month ago | July 1936 |
|--|-------------------------------|---------------------|---------------------|---------------------|
| Frozen and preserved fruits.....pounds.. | 74 | 65 | 57 | 71 |
| 40-percent cream.....40-quart cans.. | ¹ 239 | ¹ 241 | ¹ 85 | ¹ 190 |
| Creamery butter.....pounds.. | 89 | 96 | 21 | 75 |
| American cheese.....do..... | 66 | 64 | 57 | 70 |
| Frozen eggs.....do..... | 108 | 108 | 94 | 112 |
| Shell eggs.....cases.. | ¹ 8, 354 | ¹ 7, 595 | ¹ 5, 707 | ¹ 7, 061 |
| Total poultry.....pounds.. | 40 | 47 | 42 | 43 |
| Total beef.....do..... | 42 | 56 | 51 | 41 |
| Total pork.....do..... | 667 | 445 | 441 | 431 |
| Lard.....do..... | 142 | 85 | 100 | 107 |
| Lamb and mutton, frozen.....do..... | 2 | 2 | 1 | 1 |
| Total meats.....do..... | 773 | 556 | 550 | 531 |

¹ 3 ciphers omitted.

CASH INCOME FROM THE SALE OF FARM PRODUCTS AND RENTAL AND BENEFIT PAYMENTS TO FARMERS

CASH INCOME FROM SALE OF FARM PRODUCTS

| | Grains | Cotton and cotton-seed | Fruits and vegetables | All crops | Meat animals | Dairy products | Poultry and eggs | All live-stock and products | Total crops and live-stock |
|-----------|-----------------|------------------------|-----------------------|-----------------|-----------------|-----------------|------------------|-----------------------------|----------------------------|
| | Million dollars | Million dollars | Million dollars | Million dollars | Million dollars | Million dollars | Million dollars | Million dollars | Million dollars |
| 1935 | | | | | | | | | |
| February | 26 | 34 | 65 | 157 | 109 | 98 | 38 | 245 | 402 |
| March | 28 | 30 | 75 | 159 | 122 | 102 | 45 | 270 | 429 |
| April | 37 | 18 | 92 | 173 | 124 | 111 | 59 | 295 | 468 |
| May | 40 | 15 | 83 | 160 | 130 | 123 | 66 | 323 | 483 |
| June | 34 | 12 | 70 | 133 | 116 | 122 | 54 | 305 | 438 |
| July | 45 | 11 | 75 | 152 | 119 | 113 | 44 | 299 | 451 |
| August | 95 | 27 | 70 | 260 | 139 | 102 | 36 | 287 | 547 |
| September | 94 | 109 | 70 | 356 | 136 | 98 | 41 | 282 | 638 |
| October | 79 | 182 | 110 | 484 | 169 | 95 | 44 | 312 | 796 |
| November | 54 | 146 | 73 | 349 | 154 | 89 | 64 | 311 | 660 |
| December | 41 | 94 | 69 | 270 | 164 | 97 | 65 | 328 | 598 |
| 1936 | | | | | | | | | |
| January | 45 | 54 | 72 | 227 | 180 | 108 | 40 | 331 | 558 |
| February | 34 | 32 | 89 | 189 | 137 | 103 | 35 | 278 | 467 |
| March | 51 | 25 | 84 | 190 | 146 | 112 | 52 | 312 | 502 |
| April | 41 | 14 | 86 | 165 | 151 | 112 | 56 | 320 | 485 |
| May | 47 | 20 | 101 | 194 | 140 | 120 | 63 | 332 | 526 |
| June | 62 | 16 | 111 | 218 | 155 | 128 | 58 | 364 | 582 |

BENEFIT, RENTAL, AND PRICE ADJUSTMENT PAYMENTS TO FARMERS NOT INCLUDED IN OTHER SOURCES OF INCOME

| | Cotton | Tobacco | Wheat | Sugar beets | Cotton price adjustment | Corn-hog | Rice | Total ¹ |
|-----------|-----------------|-----------------|-----------------|-----------------|-------------------------|-----------------|-----------------|--------------------|
| | Million dollars | Million dollars | Million dollars | Million dollars | Million dollars | Million dollars | Million dollars | Million dollars |
| 1935 | | | | | | | | |
| February | 10 | 3 | 5 | 3 | ----- | 28 | ----- | 52 |
| March | 5 | 7 | 4 | 3 | ----- | 30 | ----- | 50 |
| April | 2 | 2 | 1 | 4 | ----- | 40 | ----- | 49 |
| May | 17 | 3 | 3 | 3 | ----- | 10 | ----- | 36 |
| June | 15 | 5 | 1 | 3 | ----- | 6 | ----- | 30 |
| July | 4 | 1 | 1 | 1 | ----- | 11 | ----- | 19 |
| August | 4 | 1 | 12 | 1 | ----- | 24 | 2 | 44 |
| September | 6 | 4 | 23 | ----- | ----- | 22 | 2 | 57 |
| October | 18 | 2 | 19 | 4 | ----- | 18 | 1 | 62 |
| November | 13 | 2 | 28 | 9 | ----- | 9 | 1 | ² 64 |
| December | 31 | 1 | 5 | 6 | ----- | 3 | 3 | ² 50 |
| 1936 | | | | | | | | |
| January | 1 | ----- | ----- | ----- | ----- | ----- | ----- | 1 |
| February | ----- | ----- | ----- | ----- | ----- | ----- | ----- | ----- |
| March | 8 | ----- | 5 | 2 | ----- | ----- | ----- | 15 |
| April | 3 | ----- | 14 | 2 | 6 | 12 | ----- | 37 |
| May | 1 | 1 | 16 | 1 | 9 | 31 | ----- | 59 |
| June | 1 | 2 | 11 | ----- | 13 | 30 | ----- | 57 |

¹ Total of all benefit, rental, and price-adjustment payments made during month does not check exactly with sum of payments on individual program, as it includes drought relief payments on cattle and sheep of \$3,000,000 in February 1935 and \$1,000,000 in March 1935.

² Includes \$1,000,000 to peanut growers in November and December.

GENERAL TREND OF PRICES AND WAGES

[1910-14=100]

| Year and month | Wholesale prices of all commodities ¹ | Industrial wages ² | Prices paid by farmers for commodities used in ³ — | | | Farm wages | Taxes ⁴ |
|----------------|--|-------------------------------|---|------------|-------------------|------------|--------------------|
| | | | Living | Production | Living-production | | |
| 1910..... | 103 | ----- | 98 | 98 | 98 | 97 | ----- |
| 1911..... | 95 | ----- | 100 | 103 | 101 | 97 | ----- |
| 1912..... | 101 | ----- | 101 | 98 | 100 | 101 | ----- |
| 1913..... | 102 | ----- | 100 | 102 | 101 | 104 | 100 |
| 1914..... | 99 | ----- | 102 | 99 | 100 | 101 | 101 |
| 1915..... | 102 | 101 | 107 | 104 | 105 | 102 | 110 |
| 1916..... | 125 | 114 | 124 | 124 | 124 | 112 | 116 |
| 1917..... | 172 | 129 | 147 | 151 | 149 | 140 | 129 |
| 1918..... | 192 | 160 | 177 | 174 | 176 | 176 | 137 |
| 1919..... | 202 | 185 | 210 | 192 | 202 | 206 | 172 |
| 1920..... | 225 | 222 | 222 | 174 | 201 | 239 | 209 |
| 1921..... | 142 | 203 | 161 | 141 | 152 | 150 | 223 |
| 1922..... | 141 | 197 | 156 | 139 | 149 | 146 | 224 |
| 1923..... | 147 | 214 | 160 | 141 | 152 | 166 | 228 |
| 1924..... | 143 | 218 | 159 | 143 | 152 | 166 | 228 |
| 1925..... | 151 | 223 | 164 | 147 | 157 | 168 | 232 |
| 1926..... | 146 | 229 | 162 | 146 | 155 | 171 | 232 |
| 1927..... | 139 | 231 | 159 | 145 | 153 | 170 | 238 |
| 1928..... | 141 | 232 | 160 | 148 | 155 | 169 | 239 |
| 1929..... | 139 | 236 | 158 | 147 | 153 | 170 | 241 |
| 1930..... | 126 | 226 | 148 | 140 | 145 | 152 | 238 |
| 1931..... | 107 | 207 | 126 | 122 | 124 | 116 | 218 |
| 1932..... | 95 | 178 | 108 | 107 | 107 | 86 | 189 |
| 1933..... | 96 | 171 | 109 | 108 | 109 | 80 | 162 |
| 1934..... | 109 | 182 | 122 | 125 | 123 | 90 | 154 |
| 1935..... | 117 | 191 | 124 | 126 | 125 | 98 | ----- |
| 1935 | | | | | | | |
| July..... | 116 | 188 | ----- | ----- | 126 | 99 | ----- |
| August..... | 118 | 192 | ----- | ----- | 125 | ----- | ----- |
| September..... | 118 | 195 | 124 | 122 | 123 | ----- | ----- |
| October..... | 118 | 194 | ----- | ----- | 123 | 102 | ----- |
| November..... | 118 | 190 | ----- | ----- | 122 | ----- | ----- |
| December..... | 118 | 196 | 124 | 119 | 122 | ----- | ----- |
| 1936 | | | | | | | |
| January..... | 118 | 195 | ----- | ----- | 122 | 94 | ----- |
| February..... | 118 | 195 | ----- | ----- | 122 | ----- | ----- |
| March..... | 116 | 198 | 122 | 119 | 121 | ----- | ----- |
| April..... | 116 | 195 | ----- | ----- | 121 | 101 | ----- |
| May..... | 115 | 195 | ----- | ----- | 121 | ----- | ----- |
| June..... | 116 | 196 | 121 | 120 | 120 | ----- | ----- |

¹ Bureau of Labor Statistics Index with 1926=100, divided by its 1910-14 average of 68.5.² Average weekly earnings, New York State factories. June 1914=100.³ These indexes are based on retail prices paid by farmers for commodities used in living and production reported quarterly for March, June, September, and December. The indexes for other months are straight interpolations between the successive quarterly indexes.⁴ Index of farm real estate taxes, per acre, 1913=100.

GENERAL TREND OF PRICES RECEIVED AND PAID

| Year and month | Index numbers of farm prices [August 1909-July 1914=100] | | | | | | | | Prices paid by farmers for commodities | Ratio of prices received to prices paid |
|----------------|--|-----------------------|--------|-------------|--------------|----------------|------------------|------------|--|---|
| | Grains | Cotton and cottonseed | Fruits | Truck crops | Meat animals | Dairy products | Poultry and eggs | All groups | | |
| 1910..... | 104 | 113 | 101 | ----- | 103 | 99 | 104 | 102 | 98 | 104 |
| 1911..... | 96 | 101 | 102 | ----- | 87 | 95 | 91 | 95 | 101 | 94 |
| 1912..... | 106 | 87 | 94 | ----- | 95 | 102 | 100 | 100 | 100 | 100 |
| 1913..... | 92 | 97 | 107 | ----- | 108 | 105 | 101 | 101 | 101 | 100 |
| 1914..... | 102 | 85 | 91 | ----- | 112 | 102 | 106 | 101 | 100 | 101 |
| 1915..... | 120 | 77 | 82 | ----- | 104 | 103 | 101 | 98 | 105 | 93 |
| 1916..... | 126 | 119 | 100 | ----- | 120 | 109 | 116 | 118 | 124 | 95 |
| 1917..... | 217 | 187 | 118 | ----- | 174 | 135 | 155 | 175 | 149 | 117 |
| 1918..... | 227 | 245 | 172 | ----- | 203 | 163 | 186 | 202 | 176 | 115 |
| 1919..... | 233 | 247 | 178 | ----- | 207 | 186 | 209 | 213 | 202 | 105 |
| 1920..... | 232 | 248 | 191 | ----- | 174 | 198 | 223 | 211 | 201 | 105 |
| 1921..... | 112 | 101 | 157 | ----- | 109 | 156 | 162 | 125 | 152 | 82 |
| 1922..... | 106 | 156 | 174 | ----- | 114 | 143 | 141 | 132 | 149 | 89 |
| 1923..... | 113 | 216 | 137 | ----- | 107 | 159 | 146 | 142 | 152 | 93 |
| 1924..... | 129 | 212 | 125 | 150 | 110 | 149 | 149 | 143 | 152 | 94 |
| 1925..... | 157 | 177 | 172 | 153 | 140 | 153 | 163 | 156 | 157 | 99 |
| 1926..... | 131 | 122 | 138 | 143 | 147 | 152 | 159 | 145 | 155 | 94 |
| 1927..... | 128 | 128 | 144 | 121 | 140 | 155 | 144 | 139 | 153 | 91 |
| 1928..... | 130 | 152 | 176 | 159 | 151 | 158 | 153 | 149 | 155 | 96 |
| 1929..... | 120 | 144 | 141 | 149 | 156 | 157 | 162 | 146 | 153 | 95 |
| 1930..... | 100 | 102 | 162 | 140 | 133 | 137 | 129 | 126 | 145 | 87 |
| 1931..... | 63 | 63 | 98 | 117 | 92 | 108 | 100 | 87 | 124 | 70 |
| 1932..... | 44 | 47 | 82 | 102 | 63 | 83 | 82 | 65 | 107 | 61 |
| 1933..... | 62 | 64 | 74 | 105 | 60 | 82 | 75 | 70 | 109 | 64 |
| 1934..... | 93 | 99 | 100 | 104 | 68 | 95 | 89 | 90 | 123 | 73 |
| 1935..... | 103 | 101 | 91 | 127 | 118 | 108 | 117 | 108 | 125 | 86 |
| 1935 | | | | | | | | | | |
| May..... | 112 | 105 | 98 | 127 | 118 | 107 | 110 | 108 | 127 | 85 |
| June..... | 102 | 103 | 100 | 96 | 119 | 99 | 108 | 104 | 127 | 82 |
| July..... | 96 | 102 | 98 | 93 | 116 | 96 | 107 | 102 | 126 | 81 |
| August..... | 96 | 97 | 87 | 92 | 129 | 98 | 111 | 106 | 125 | 85 |
| September..... | 97 | 90 | 82 | 101 | 131 | 102 | 126 | 107 | 123 | 87 |
| October..... | 101 | 94 | 82 | 120 | 125 | 104 | 132 | 109 | 123 | 89 |
| November..... | 90 | 99 | 83 | 136 | 117 | 111 | 140 | 108 | 122 | 89 |
| December..... | 89 | 98 | 92 | 136 | 120 | 118 | 135 | 110 | 122 | 90 |
| 1936 | | | | | | | | | | |
| January..... | 92 | 95 | 89 | 118 | 122 | 120 | 117 | 109 | 122 | 89 |
| February..... | 92 | 94 | 92 | 117 | 125 | 123 | 121 | 109 | 122 | 89 |
| March..... | 92 | 93 | 94 | 77 | 122 | 118 | 99 | 104 | 121 | 86 |
| April..... | 89 | 96 | 89 | 107 | 125 | 114 | 97 | 105 | 121 | 87 |
| May..... | 88 | 96 | 103 | 105 | 118 | 106 | 101 | 103 | 121 | 85 |
| June..... | 87 | 96 | 115 | 99 | 120 | 106 | 103 | 107 | 120 | 89 |
| July..... | 109 | 105 | 117 | 115 | 119 | 116 | 106 | 115 | ² 123 | ² 93 |

1910-14=100.

² Preliminary.

THE TREND OF EXPORT MOVEMENT

| Year and month, (ended Dec. 31) | Wheat, including flour ¹ | Tobacco (leaf) | Bacon, ² hams, and shoulders | Lard ³ | Apples (fresh) | Cotton, running bales ⁴ |
|------------------------------------|---|-------------------------|---|-------------------------|--------------------------|--|
| | <i>1,000 bushels</i> | <i>1,000 pounds</i> | <i>1,000 pounds</i> | <i>1,000 pounds</i> | <i>1,000 bushels</i> | <i>1,000 bales</i> |
| Total: | | | | | | |
| 1920 | 311, 601 | 467, 662 | 821, 922 | 612, 250 | 5, 393 | 6, 111 |
| 1921 | 359, 021 | 515, 353 | 647, 680 | 868, 942 | 5, 809 | 6, 385 |
| 1922 | 235, 307 | 430, 908 | 631, 452 | 766, 950 | 4, 945 | 6, 015 |
| 1923 | 175, 190 | 474, 500 | 828, 890 | 1, 035, 382 | 8, 876 | 5, 224 |
| 1924 | 241, 454 | 546, 555 | 637, 980 | 944, 095 | 12, 361 | 6, 653 |
| 1925 | 138, 784 | 468, 471 | 467, 459 | 688, 829 | 10, 043 | 8, 362 |
| 1926 | 193, 971 | 478, 773 | 351, 591 | 698, 961 | 16, 170 | 8, 916 |
| 1927 | 228, 576 | 506, 252 | 237, 720 | 681, 303 | 15, 534 | 9, 199 |
| 1928 | 151, 976 | 575, 408 | 248, 278 | 759, 722 | 13, 635 | 8, 546 |
| 1929 | 154, 348 | 555, 347 | 275, 118 | 829, 328 | 16, 856 | 7, 418 |
| 1930 | 149, 154 | 560, 958 | 216, 953 | 642, 486 | 15, 850 | 6, 474 |
| 1931 | 125, 686 | 503, 531 | 123, 246 | 568, 708 | 17, 785 | 6, 849 |
| 1932 | 82, 118 | 387, 766 | 84, 175 | 546, 202 | 16, 919 | 8, 916 |
| 1933 | 26, 611 | 420, 418 | 100, 169 | 579, 132 | 11, 029 | 8, 533 |
| 1934 | 36, 538 | 418, 983 | 83, 725 | 431, 237 | 10, 070 | 5, 753 |
| June: | | | | | | |
| 1925 | 10, 922 | 27, 460 | 39, 690 | 59, 799 | 35 | 211 |
| 1926 | 11, 210 | 30, 762 | 23, 861 | 56, 482 | 39 | 339 |
| 1927 | 11, 515 | 32, 870 | 25, 326 | 66, 404 | 60 | 468 |
| 1928 | 8, 230 | 30, 278 | 23, 850 | 53, 436 | 49 | 444 |
| 1929 | 9, 003 | 28, 167 | 26, 735 | 67, 252 | 241 | 299 |
| 1930 | 12, 475 | 29, 967 | 19, 242 | 56, 666 | 37 | 185 |
| 1931 | 12, 477 | 36, 349 | 12, 015 | 37, 786 | 66 | 255 |
| 1932 | 8, 086 | 28, 973 | 9, 410 | 45, 339 | 184 | 360 |
| 1933 | 1, 705 | 17, 375 | 11, 100 | 37, 941 | 51 | 615 |
| 1934 | 1, 415 | 27, 799 | 8, 137 | 41, 008 | 9 | 459 |
| 1935: | | | | | | |
| January | 1, 257 | 28, 943 | 5, 108 | 17, 667 | 1, 281 | 466 |
| February | 1, 301 | 23, 616 | 4, 158 | 15, 890 | 1, 490 | 390 |
| March | 1, 500 | 31, 062 | 5, 428 | 10, 636 | 945 | 318 |
| April | 1, 281 | 16, 761 | 5, 332 | 7, 193 | 397 | 323 |
| May | 1, 426 | 16, 661 | 7, 443 | 9, 740 | 44 | 278 |
| June | 1, 195 | 11, 867 | 6, 662 | 6, 877 | 17 | 345 |
| July | 1, 232 | 14, 581 | 6, 580 | 4, 915 | 99 | 280 |
| August | 1, 278 | 22, 382 | 5, 210 | 3, 406 | 544 | 241 |
| September | 1, 324 | 52, 371 | 3, 531 | 1, 515 | 1, 349 | 487 |
| October | 1, 485 | 60, 068 | 3, 355 | 2, 731 | 2, 190 | 712 |
| November | 1, 320 | 64, 117 | 4, 961 | 7, 932 | 1, 854 | 1, 135 |
| December | 1, 132 | 38, 753 | 3, 923 | 7, 853 | 1, 496 | 886 |
| Total | 15, 731 | 381, 182 | 61, 691 | 96, 355 | 11, 706 | 5, 861 |
| 1936: | | | | | | |
| January | 1, 202 | 40, 297 | 3, 395 | 10, 117 | 1, 248 | 543 |
| February | 1, 192 | 34, 594 | 2, 369 | 7, 514 | 1, 206 | 406 |
| March | 1, 425 | 29, 832 | 3, 017 | 11, 461 | 1, 082 | 405 |
| April | 1, 423 | 23, 784 | 3, 396 | 9, 489 | 750 | 353 |
| May | 1, 534 | 17, 106 | 5, 367 | 10, 837 | 291 | 352 |
| June | 1, 382 | 20, 477 | 5, 955 | 11, 090 | 130 | 298 |

¹ Wheat flour is converted on a basis of 4.7 bushels of grain equal to 1 barrel of flour.² Includes Cumberland and Wiltshire sides.³ Excludes neutral lard.⁴ Excludes linters.

Foreign Agricultural Service Division. Compiled from Foreign Commerce and Navigation of the United States and official records of Bureau of Foreign and Domestic Commerce.

THE TREND OF AGRICULTURAL IMPORTS¹

| Year and month (ended Dec. 31) | Cattle, live | Beef, canned 2 3 | Butter | Wheat, grain 2 4 | Corn, grain | Oats, grain | Barley, malt 2 |
|-----------------------------------|-----------------|------------------------|-----------------|---------------------|------------------|------------------|-------------------|
| | 1,000 head | 1,000 pounds | 1,000 pounds | 1,000 bushels | 1,000 bushels | 1,000 bushels | 1,000 pounds |
| Total: | | | | | | | |
| 1920..... | 379 | 3, 979 | 37, 454 | 97 | 7, 784 | 6, 728 | 0 |
| 1921..... | 195 | 320 | 18, 558 | 3, 574 | 164 | 3, 565 | 0 |
| 1922..... | 238 | 894 | 6, 957 | 10, 560 | 113 | 1, 299 | 60 |
| 1923..... | 140 | 4, 496 | 23, 741 | 8, 930 | 203 | 317 | 397 |
| 1924..... | 145 | 7, 026 | 19, 405 | 6, 895 | 4, 107 | 6, 964 | 765 |
| 1925..... | 175 | 7, 969 | 7, 212 | 1, 308 | 1, 086 | 178 | 836 |
| 1926..... | 221 | 21, 045 | 8, 029 | 451 | 1, 055 | 157 | 1, 028 |
| 1927..... | 445 | 35, 999 | 8, 460 | 21 | 5, 458 | 85 | 810 |
| 1928..... | 563 | 52, 748 | 4, 659 | 224 | 565 | 489 | 865 |
| 1929..... | 505 | 79, 899 | 2, 773 | 36 | 407 | 112 | 1, 025 |
| 1930..... | 234 | 56, 105 | 2, 472 | 317 | 1, 556 | 183 | 4, 309 |
| 1931..... | 95 | 19, 586 | 1, 882 | 54 | 618 | 576 | 39, 875 |
| 1932..... | 106 | 24, 639 | 1, 014 | 3 | 344 | 59 | 52, 533 |
| 1933..... | 82 | 41, 344 | 1, 022 | 31 | 160 | 132 | 109, 183 |
| 1934..... | 66 | 46, 674 | 1, 253 | 7, 737 | 2, 959 | 5, 580 | 193, 728 |
| June: | | | | | | | |
| 1925..... | 15 | 1, 375 | 579 | 3 | 21 | 29 | 101 |
| 1926..... | 14 | 1, 709 | 100 | (⁵) | 22 | 13 | 340 |
| 1927..... | 22 | 5, 762 | 206 | 3 | 33 | 4 | 118 |
| 1928..... | 45 | 5, 925 | 270 | 117 | 47 | 70 | 0 |
| 1929..... | 42 | 9, 881 | 271 | ----- | 46 | 14 | 232 |
| 1930..... | 21 | 10, 060 | 289 | 1 | 63 | 34 | 144 |
| 1931..... | 6 | 1, 684 | 159 | (⁵) | 62 | 3 | 3, 599 |
| 1932..... | 4 | 1, 363 | 91 | (⁵) | 37 | 7 | 4, 243 |
| 1933..... | 21 | 4, 122 | 104 | (⁵) | 16 | (⁵) | 9, 999 |
| 1934..... | 5 | 2, 519 | 74 | 1 | 77 | 7 | 22, 499 |
| 1935: | | | | | | | |
| January..... | 6 | 4, 099 | 539 | 843 | 1, 887 | 1, 644 | 17, 449 |
| February..... | 38 | 4, 222 | 3, 071 | 1, 055 | 1, 826 | 2, 118 | 15, 459 |
| March..... | 53 | 7, 690 | 4, 929 | 1, 458 | 3, 304 | 2, 596 | 27, 197 |
| April..... | 51 | 9, 496 | 8, 860 | 1, 611 | 1, 445 | 2, 167 | 30, 701 |
| May..... | 49 | 7, 076 | 2, 665 | 847 | 3, 036 | 1, 124 | 37, 794 |
| June..... | 34 | 5, 911 | 1, 437 | 625 | 6, 122 | 406 | 43, 728 |
| July..... | 18 | 5, 220 | 177 | 793 | 5, 649 | 29 | 42, 041 |
| August..... | 16 | 5, 740 | 149 | 2, 570 | 8, 554 | 1 | 27, 136 |
| September..... | 14 | 7, 752 | 122 | 3, 644 | 2, 986 | 7 | 27, 566 |
| October..... | 32 | 5, 379 | 108 | 5, 324 | 4, 690 | 5 | 16, 933 |
| November..... | 40 | 6, 811 | 277 | 4, 348 | 1, 651 | 2 | 18, 916 |
| December..... | 27 | 6, 867 | 341 | 4, 321 | 2, 092 | 8 | 15, 703 |
| Total..... | 378 | 76, 263 | 22, 675 | 27, 439 | 43, 242 | 10, 107 | 320, 623 |
| 1936: | | | | | | | |
| January..... | 22 | 7, 642 | 860 | 2, 231 | 1, 869 | 0 | 15, 190 |
| February..... | 28 | 7, 218 | 2, 191 | 2, 398 | 583 | 6 | 15, 554 |
| March..... | 52 | 7, 978 | 577 | 2, 673 | 1, 186 | 5 | 18, 153 |
| April..... | 79 | 11, 897 | 661 | 1, 536 | 1, 052 | 11 | 21, 642 |
| May..... | 57 | 8, 654 | 224 | 1, 627 | 938 | 22 | 27, 300 |
| June..... | 47 | 6, 918 | 168 | 3, 028 | 34 | 2 | 24, 256 |

¹ General imports prior to 1934; beginning Jan. 1, 1934, imports for consumption.² Imports for consumption.³ Includes corned beef.⁴ For domestic consumption and includes only wheat full duty paid and 10 percent ad valorem.⁵ Less than 500.

Foreign Agricultural Service Division. Compiled from Foreign Commerce and Navigation of the United States and official records of Bureau of Foreign and Domestic Commerce.

GENERAL BUSINESS INDICATORS RELATED TO AGRICULTURE

| Production, consumption, and movements | June 1935 | May 1936 | June 1936 | Month's trend |
|---|-----------|----------|-----------|---------------|
| Pig iron, daily (thousand tons)----- | 52 | 85 | 86 | Increase. |
| Bituminous coal (million tons)----- | 30 | 29 | 29 | Unchanged. |
| Steel ingots (thousand long tons)----- | 2, 259 | 4, 046 | 3, 985 | Decrease. |
| Cotton, by mills (thousand bales)----- | 384 | 531 | 556 | Increase. |
| Steel Corporation shipments of finished steel products (thousand tons). | 578 | 984 | 886 | Decrease. |
| Building contracts in 37 Northeastern States (million dollars). | 148 | 216 | 233 | Increase. |
| Hogs slaughtered (thousands)----- | 1, 828 | 2, 579 | 2, 759 | Do. |
| Cattle and calves slaughtered (thousands). | 1, 108 | 1, 288 | 1, 370 | Do. |
| Sheep and lambs slaughtered (thousands). | 1, 421 | 1, 213 | 1, 309 | Do. |
| Bank debits (outside New York City) (billion dollars). | 16 | 17 | 19 | Do. |
| Carloadings (thousands)----- | 2, 466 | 3, 352 | 2, 787 | Decrease. |
| Mail-order sales (million dollars)----- | 59 | 75 | 77 | Increase. |
| Employees, New York State factories (thousands). | 359 | 384 | 380 | Decrease. |
| Average price 25 industrial stocks (dollars). | 166. 03 | 203. 36 | 211. 69 | Increase. |
| Interest rate (4-6 months' paper, New York) (percent). | . 75 | . 75 | . 75 | Unchanged. |
| Retail food price index (Department of Labor). ¹ | 133 | 131 | 137 | Increase. |
| Wholesale price index (Department of Labor). ¹ | 116 | 115 | 116 | Do. |
| Agricultural export index (B. A. E.) ¹ ---- | 58 | 54 | 52 | Decrease. |

¹ 1910-14 basis.

Data in the above table, excepting livestock slaughter and price and export indexes, are from the Survey of Current Business, Bureau of Foreign and Domestic Commerce, U. S. Department of Commerce.

SHORT CROP OF GRASS SEED DUE TO DROUGHT

The information at hand indicates that the production of grass seeds of all kinds this year is a little less than half that of last year. In the case of the clovers many sections that made a fairly good first crop of clover hay have had very poor conditions for the second or seed crop. The same is true in some of the important alfalfa districts. However, good weather could still improve this situation.

SMALL CROP BUT LARGE CARRY-OVER OF TIMOTHY

The production of timothy seed this year apparently will be one of the smallest in 15 years. It is expected to be about one-third as large as last year's crop which, however, was unusually large. A rough estimate places the probable yield of timothy seed this year at around 38,500,000 pounds as against 128,223,000 pounds last year. Growers indicate that the quality of the seed this year will average fair to poor and not nearly so good as that of the 1935 crop.

One saving item in respect to timothy, however, is that the carry-over is the largest in 4 or 5 years, whereas a year ago there had been almost no seed carried over.

SHORT CLOVER CROP

It appears that the crops of red and crimson clover will be substantially smaller than last year and the same is likely to be true of alfalfa, although it should be noted that information on these crops is still meager.

The crimson clover seed crop is estimated at around 1,000,000 pounds this year against 1,500,000 pounds last year. Information is not at hand which would justify any figure on the red clover crop; the harvest of these clovers and of alfalfa is later than that of most of the grasses.

White clover appears to be an exception this year. It is believed to be from one-third to one-half larger than the small crop of last year. A decrease in the acreage in Louisiana was indicated, but this was more than offset by much larger yields this year than last. It is estimated that 450,000 to 500,000 pounds of white clover seed were produced in that State this year compared with 300,000 pounds last year. The few reports drawn from Wisconsin indicate that another very small crop of white clover was produced in that State.

Of the other important grasses, Kentucky bluegrass is about half of last year's crop. The production of redtop seed this year in Illinois is expected to be 40 to 45 percent smaller than that of last year. The meadow-fescue crop is about one-half that of last year, or about 400,000 to 450,000 pounds, compared with around 900,000 last year. Much of the meadow-fescue sown in the fall of 1935 was reported to have winter-killed but the main cause of the low yield was the drought last spring. Orchard grass seed production this year is about one-half as large as last year.